

Secondaries Investor

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RESEARCH & DATA

Secondaries Investor Law Firm Survey 2023: GP-leds dominate as a new firm takes top spot - updated

Now in its seventh year, our latest survey of law firm activity shows an industry advising on a collective \$754bn of transaction volume.

Ropes & Gray has broken Kirkland & Ellis's stronghold on the secondaries market amid a continued shift toward sponsor-initiated deals.

The Boston-headquartered law firm advised on \$146 billion-worth of secondaries transactions in the year to end-October across recapitalisations, preferred equity deals, single-asset recapitalisations, spin-outs and classic secondaries deals, according to the Secondaries Investor Law Firm Survey 2023.

This is the second year since the survey's inception that Kirkland & Ellis has not topped the list by deal volume. Kirkland still advised on at least \$136.4 billion of transactions – the second-highest amount – and 89 percent more than the third-highest-ranking firm.

Kirkland topped the list last year, while Ropes & Gray advised on the highest volume in the 2021 survey.

It is important to note that Kirkland's figure relates to calendar year 2022 while Ropes & Gray's relates to the survey reporting period of 1 November 2021 to 31 October 2022.

This year, 19 firms participated in the seven-question survey. Respondents self-reported approximately \$753.7 billion of transaction volume, compared with almost \$600 billion in the 2022 survey when 17 firms participated and a jump from 2021 when 13 firms reported around \$275 billion in deal work.

The survey does not paint a picture of the size of the secondaries market, as multiple law firms may work on various sides of a given secondaries deal and will each report their total deal volume attributed to the same deal. It does, however, shed light on the amount of work that law firms are advising on and the growth of the service providers who advise on secondaries processes.

Deal volume is defined as purchase price plus unfunded commitments. The survey also includes lawyers acting for GPs whose funds were sold on the secondaries market.

All firms' data below relates to the November-October reporting period, with the exception of Kirkland & Ellis.

Ropes & Gray's \$146 billion in advised volume was spread across 450 transactions – the second-highest number by deal count after Proskauer. It noted a “surge in secondaries representations” its team advised on during the period, including transactions with Kohlberg & Company on its first continuation fund and CCMP Capital on its first-ever GP-led.

The firm did not provide breakdowns of its activity during the period, except that by asset class it worked on private equity, credit, real estate, venture capital and infrastructure transactions, among others.